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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarter ended January 31, 1992

Commission File number: 0-8589

FLAME INDUSTRIES, INC.

(Exact name of registrant as specified in charter)

MINNESOTA	41-0825622
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
7317 West Lake Street, Minneapolis, Minnesota (Address of principal executive offices)	55426 (Zip Code)

Registrant's telephone number, including area code: (612) 929-7815

Not Applicable

Former name, former address, and former fiscal year, if changed since last report.

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark whether the Registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes X No

At February 28, 1992, 1,161,373 shares of Common Stock and 100,000 shares of Class A Convertible Preferred Stock were outstanding.

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FLAME INDUSTRIES, INC. AND SUBSIDIARY

PART I

Item 1.

The condensed financial statements included herein have been prepared by Flame Industries, Inc. (the "Company"), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. However, the Company believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these condensed financial statements be read in conjunction with the financial statements and the notes thereto included in the Company's annual report on Form 10-K for the fiscal year ended April 30, 1991.

The condensed financial statements included herein, which are unaudited, include, in the opinion of management, all adjustments (consisting only of normal recurring accruals) necessary to present fairly the financial position and results of operations of the Company for the periods presented.

FLAME INDUSTRIES, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS

ASSETS

	January 31, 1992	April 30, 1991
Current assets:		
Cash	247	38
Total current assets	247	38
Total assets	$ 247	$ 38

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current liabilities:		
Accounts Payable	$ 2,500	$ 5,250
Due to affiliate	274,404	240,405
Accrued expenses	73,918	47,290
Total current liabilities	350,822	292,945
Note payable	26,240	26,240
Stockholders' deficit:		
Convertible preferred stock, $.10 par value; authorized 1,000,000 shares, issued 100,000 shares at January 31, 1992 and April 30, 1991	10,000	10,000
Common stock, $.10 par value; authorized 5,000,000 shares, issued 1,161,373 shares at January 31, 1992 and April 30, 1991	116,137	116,137
Deficit in excess of par value	(26,137)	(26,137)
Accumulated deficit, since May 29, 1985	(476,815)	(419,147)
Total stockholders' deficit	(376,815)	(319,147)
Total liabilities and stockholders' deficit	$ 247	$ 38

The accompanying notes are an integral part of these consolidated financial statements.

FLAME INDUSTRIES, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF NET LOSS
(Unaudited)

	Three Months Ended January 31		Nine Months Ended January 31	
	1992	1991	1992	1991
Net Sales	$ –	$ –	$ –	$ –
Cost and expenses:				
Selling, general and administrative	8,952	9,386	31,340	33,452
Interest	8,776	–	26,328	15,264
	17,728	9,386	57,668	48,716
Loss from operations	(17,728)	(9,386)	(57,668)	(48,716)
Net Loss	$ (17,728)	$ (9,386)	$ (57,668)	$ (48,716)
Net loss per common share	$(.01)	$(.00)	$(.03)	$(.02)
Weighted average number of common shares outstanding	1,973,325	1,973,325	1,973,325	1,973,325

The accompanying notes are an integral part of these consolidated financial statements.

FLAME INDUSTRIES, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended January 31,
(Unaudited)

	1992	1991
Cash flows from operating activities:		
Net loss	$ (57,668)	$ (48,716)
Changes in current liabilities:		
Accounts payable	(2,750)	(13)
Due to affiliate	33,999	33,207
Accrued expense	26,628	14,314
Net cash provided by (used in) operating activities	209	(1,208)
Net increase (decrease) in cash	209	(1,208)
Cash balance at beginning of year	38	18,359
Cash balance at end of quarter	$ 247	$ 17,151

The accompanying notes are an integral part of these consolidated financial statements.

FLAME INDUSTRIES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1 SUMMARY OF SIGNIFICANT POLICIES

Principles of consolidation - The consolidated financial statements include the accounts of the Company and its wholly owned DISC subsidiary. In consolidation, all significant intercompany accounts and transactions are eliminated.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

Nine Months Ended January 31, 1992 Compared to Nine Months Ended January 31, 1991. The loss of $57,668 for the first three quarters of fiscal 1992 is entirely attributable to administrative expenses incurred to maintain the Company. The future viability and profitability of the Company is contingent upon the Company's ability to consummate acquisitions in the future.

PART II

No responses to Items 1 thru 5 are furnished since in each case the appropriate response would be either not applicable or none.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits: None

(b) Reports on Form 8-K: There were no reports on Form 8-K filed for the nine months ended January 31, 1992.

FLAME INDUSTRIES, INC. AND SUBSIDIARY

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this interim report to be signed on its behalf by the undersigned, thereunto duly authorized.

FLAME INDUSTRIES, INC.

J. Russell Duncan
Chairman of the Board, and
Treasurer (Chief Executive and
Principal Financial and
Accounting Officer)

Dated: 3-12-1992